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ABSTRACT

The Wyoming Community College Commission conducted this study to provide guidance in establishing a long-term tuition policy for Wyoming colleges. It sampled 16 states that are members of the Western Interstate Commission for Higher Education (WICHE), via telephone surveys and questionnaires. Historical data from 1986 adds a long-term perspective. Highlights include: (1) when median family income for each state ($48,837) is compared with resident (in-district) tuition costs per credit hour, the data show that Wyoming's community colleges now charge slightly more ($47) per income dollar than most states; (2) historical tuition comparisons show Wyoming rates to be relatively low-tuition and fees for resident in-district students have been consistently below the sample's average; (3) states in the west, especially WICHE states, have the most affordable community colleges in the nation; (4) whereas the resident tuition for Wyoming is approaching the WICHE average; tuition and fees for nonresidents maintains significant cost differences as time goes on--students from outside the WICHE region often state that their primary reason to enroll in Wyoming colleges is affordability; and (5) while WICHE colleges charge an average of $5,023 in annual tuition and fees for nonresidents, Wyoming charges only $3,690. Appendices include statistical tables and the survey instrument. (MKF)

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ED 463 776

WYOMING COMMUNITY COLLEGE COMMISSION
Cheyenne, Wyoming
October 8, 2001

LONG-TERM TUITION STUDY 2001

Period under study:
1986-2001

TC022278

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TABLE OF CONTENTS

A. INTRODUCTION

- GOALS OF THE STUDY
- RESEARCH QUESTIONS

B. METHODOLOGY

- OPERATIONAL ISSUES
- TUITION REVENUE PROJECTIONS

C. FINDINGS

- IMPLICATIONS PENDING

REFERENCES

APPENDIX A – TELEPHONE SURVEY QUESTIONNAIRE

APPENDIX B – ANSWERS TO TELEPHONE SURVEY ITEM 16

APPENDIX C – DISTANCE LEARNING TUITION POLICIES

APPENDIX D – CONTIGUOUS STATES ONLY

INTRODUCTION

The National Association of College and University Business Officers (NACUBO) discusses tuition vs. fees in *College and University Business Administration, 6th Edition,* page 4-9:

> Students pay tuition to enroll in courses.... Students pay fees for additional goods and services: laboratory materials, activity books containing tickets to athletic contests or concerts, access to intercollegiate sports competitions, health insurance, and access to campus medical services and counseling offices.... Moreover, some colleges and universities imbed fees for services into one comprehensive tuition charge: they bundle instruction and noninstructional services.

Conversely, in response to tuition policies established at the state-level, colleges and universities often adjust fees to deal with the increasing costs of providing education. As noted by NACUBO, these practices are not uncommon. The result is that "nomenclature" sometimes becomes the principal distinction between revenues categorized as tuition or fees. Awareness of the potential lack of substantive distinction between these terms is central to the study of higher education pricing since both are costs borne by students (waivers, grants, and scholarships notwithstanding). Equally important to bear in mind, is that tuition and fees only partially offset the cost of providing postsecondary education in the public sector.

Addressing the question, "What is the appropriate out-of-pocket student contribution to his or her postsecondary education?" requires preliminary questions be addressed:

1. What is the state's *philosophy* with regard to postsecondary education pricing?

The Session Laws of Wyoming, Chapter 228, Section 3(a) partially address the first question: "Wyoming's Community Colleges are low tuition, open access institutions..." "Low tuition" is obviously a relative term, and a previous decision by the Wyoming Community College Commission (WCCC) interpreted it as "90% of the average tuition in contiguous states" (WCCC meeting minutes 1995). By increasing tuition at the rate of 8 ½% per year, that goal was reached in 2000.

2. Also relevant to the state's interpretation of "low tuition," are factors influencing economic development such as workforce training in skills vital to state-identified, industrial expansion goals: Is workforce training critical to economic growth in the state, and will increased subsidizing of community college education increase citizen participation in specific skills training?

Studies investigating effects of lower tuition on enrollments were reviewed prior to beginning this study. One reported that tuition levels appeared to have no effect on enrollment, another found a slight effect, and one admitted that so many factors

outside the study's design affected enrollment that the results were inconclusive. None of the studies focused on specific skills training relevant to economic expansion.

3. Since tuition and fees are a major source of college revenue, what do long-term enrollment projections indicate and how will they impact colleges' abilities to maintain quality faculties, student services, and physical plants?

The Wyoming Community College System history of FTE enrollment shows declining attendance and these trends are projected to continue (Study of Citizen Access to Wyoming Community College Education, WCCC 1999). The table below summarizes College System FTE enrollment over the past 6 years.

Year	Annualized FTE	
1996-97	14,298	% Change
1997-98	14,114	-1.3%
1998-99	13,663	-3.2%
1999-00	13,326	-2.5%
2000-01	13,019	-2.3%

Figure 1

4. Does the state address open access and low tuition through state-level student financial aid programs?

At the present time the only state-level student financial program in place is Leveraging Educational Assistance Partnership (LEAP). Wyoming ranked 48th in the nation in "Estimated Grant Dollars to Undergraduates in 1999-2000 Per Full-Time Undergraduate Enrollment," published by the National Association of State Student Grant and Aid Programs (*NASGAP 31st Annual Survey Report*, page 77).

5. Does the state have the economic means and political will to successfully contend with issues confronting the delivery of high-quality community college education in Wyoming?

The 2001 Wyoming Legislature approved a substantial raise for community college faculty and staff which will assist colleges in attracting and keeping quality personnel. While the 2000 Legislature partially funded the revenue gap between Wyoming colleges and their comparator colleges, the 2002 Legislature will determine how much of the current revenue gap will be funded. More recent data and revisions to the funding allocation model that make funding gap calculation more scientifically sound have revealed that the Wyoming College System is still significantly underfunded with regard to their comparators.

Goals of the Study

In the year 2000, the community college system completed a five-year policy to increase tuition at a rate of 8.5% annually. The stated goal of this plan was to raise tuition over time to be within 10% of contiguous states' average tuition. This study evaluates achievement of this goal and more fully frames cost-to-the-student of community college education.

The Wyoming Community College Commission conducted this study to provide guidance in establishing long-term tuition policy for Wyoming colleges. The 16 states sampled are members of the Western Interstate Commission for Higher Education (WICHE) with the exception of Nebraska: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Oregon, Montana, New Mexico, Nevada, North Dakota, South Dakota, Utah, Washington, and Wyoming. Data from Nebraska was added at the commission's request (3/26/01). A telephone survey component was completed during February and March 2001. Historical data back to 1986 supplements the survey results, adding long-term perspective to the project. Current tuition in Wyoming is nearly equal to the sample states' average. The statistical relationship between median family income and resident in-district tuition is described. Various policies regarding fees and distance education are detailed herein.

Research Questions

The research is designed to help balance information about the wide array of related factors influencing tuition policy. Prior to beginning the study, several questions were developed to provide direction. The research questions were drafted on June 13, 2000, and titled "WCCC Long-term Tuition Study Framework."

1) *What are current tuition levels in contiguous and regional states relative to levels of median family income?*
2) *What are current national (and regional if available) tuition policies related to distance education?*
3) *What are current national (and regional if available) differential programs tuition policies and / or differential fee policies?*
4) *What can be learned from other states or institutions about elimination of out-state tuition? Reduced tuition for contiguous out-state counties should be addressed also.*
5) *What are the impacts in Wyoming of imposing out-of-district tuition?*
6) *What are the specific financial implications of uncapped linear tuition or tuition capped at different levels (using current enrollment figures)?*
7) *Should the determination of tuition be related in some ratio to operating budgets or total current fund revenues?*
8) *Are aggregate levels of student financial aid related to tuition/fee levels?*

METHODOLOGY

The primary research instrument is a telephone survey questionnaire (Appendix A). Based on a common set of core questions, individual questionnaires were prepared for each state. The resulting files contain contact information about respondents, telephone logs describing attempts to complete the survey, and hyperlinks to state-specific websites used to do preliminary (or follow-up) research. Where online information sources provided complete answers, the respondent was asked to confirm the information.

When respondents asked, "what semester are you interested in," the reply was always, "we want the most current information, please." By design, the interviews are kept brief. Respondents unable to retrieve the information were assured they could complete the items in a follow-up email. This method permitted rapid assessment of all questionnaire items, and had the advantage of additional accuracy for difficult items. Any items still incomplete after one telephone and two email contacts were answered provisionally using the best available data. This may have included data from individual colleges, from websites, or from information designed for student registration.

Linear tuition models, overload tuition, and capped full-time tuition are the three basic structures observed. Each is described in detail below, allowing accurate comparisons across the sample. In cases where no uniform state policy exists, data were attained at a college-by-college level. If a single respondent fell into multiple categories, it was recorded in each applicable category and supplemental notations on the survey instrument make this clear.

"Differential tuition" means that states or institutions charge higher tuition for expensive to deliver programs of study. These programs may require extensive equipment and/or facilities, and consequently have instructional costs beyond traditional academic disciplines. Vocational, medical, and information technology fields are mentioned in the questionnaire as examples of expensive to deliver programs. The respondent was asked to name the five most expensive programs of study, and the cost of each. Where no uniform statewide policy exists, the survey instrument records the respondent's first inclination about differential programmatic costs.

Operational Issues

Administrative uniformity is not a common attribute of fee structures and, consequently, dissimilar fee structures are often left unidentified (the average of all institutions' tuition and fees are used in cases where no statewide policy exists). Studies of tuition and fees commonly compare interstate rates for full-time students. Although this method approximates cost-to-the-student, it fails to consider differing full-time student definitions. Among WICHE states with plateau or overload tuition policies, the definition of full-time ranges from 10-20 credit hours (Idaho) to 15-19 credit hours (Oregon). The 5-hour difference in the minimum plateau creates inequalities of comparison, in that Oregon students purchase 14 hours at a per-hour rate, while Idaho students purchase 14 hours at a full-time rate capped at 10-hours.

Most states and colleges in the WICHE sample report full-time credit hour rates derived by multiplying the per hour rate by their own definition of a full-time student (WICHE 2000). From what is published in *WICHE Tuition and Fees in Public Higher Education in the West 1999-2000*, it appears that an inconsistent multiplier (10 hours, 12 hours, or 15 hours) is used for states and colleges with strictly linear tuition. Without question, specific per-hour rates and full-time definitions vary by state and sometimes by institutions within a state, hence cost to the student varies.

The study distills these complications with the following methodological strategy. Since a credit hour is a universally recognized unit of progress toward a degree, state-by-state tuition, fees, and combined tuition and fees are compared using a per-credit hour unit. In states reporting full-time rates (having tuition caps or plateaus), the rate was divided by the state's own definition of full-time attendance. In states where individual community colleges establish full-time caps and plateaus, the statewide average *minimum* number of hours in the cap or plateau is used. States dominated by colleges with strictly linear tuition are analyzed using their per credit hour charge since "full-time" is nothing more than an arbitrary label in these states. This operational strategy puts states on a level field by controlling for each state's definition of full-time.

The above methodology is a good measure of part-time student costs also. In some cases, notably Utah, the actual per credit cost for a part-time student purchasing only one credit hour is higher than the calculated per-credit cost at the full time rate. Community college students usually take more than one credit hour, and Utah's rate curve fits the operational strategy fairly well at most levels. This exception is notable, but has no significant impact on this project's outcomes.

The study differentiates between in-district residents, out-district residents, Western Undergraduate Exchange students, and nonresidents. To examine the consequences of various in-state, but out-district policies (research question 5), the questionnaire asks respondents to explain how these districts are defined (where they are in use at all). Some states may have no WUE discount at the two-year level, so the data indicates WUE rates are 'not applicable' (NA). In cases where the administrative distinctions exist but the cost is the same, the cost recorded on the survey instrument is the actual cost to the student.

Distance-learning technology is relatively new to higher education. This study asks whether distance education is priced differently than courses with traditional delivery methods (research question 2). If prices are different, the survey records the mean average dollar amount of difference. Where these figures are completely unknown, the survey records verbatim the respondent's initial answer. Supplemental national-level data (ECS p. 41) is presented in the conclusions because this newly emergent area is, as yet, difficult to research.

FINDINGS

The most recent median family income data is from calendar year 1998 (United States Census Bureau). Family income is used on the assumption that families will share the cost of higher education.

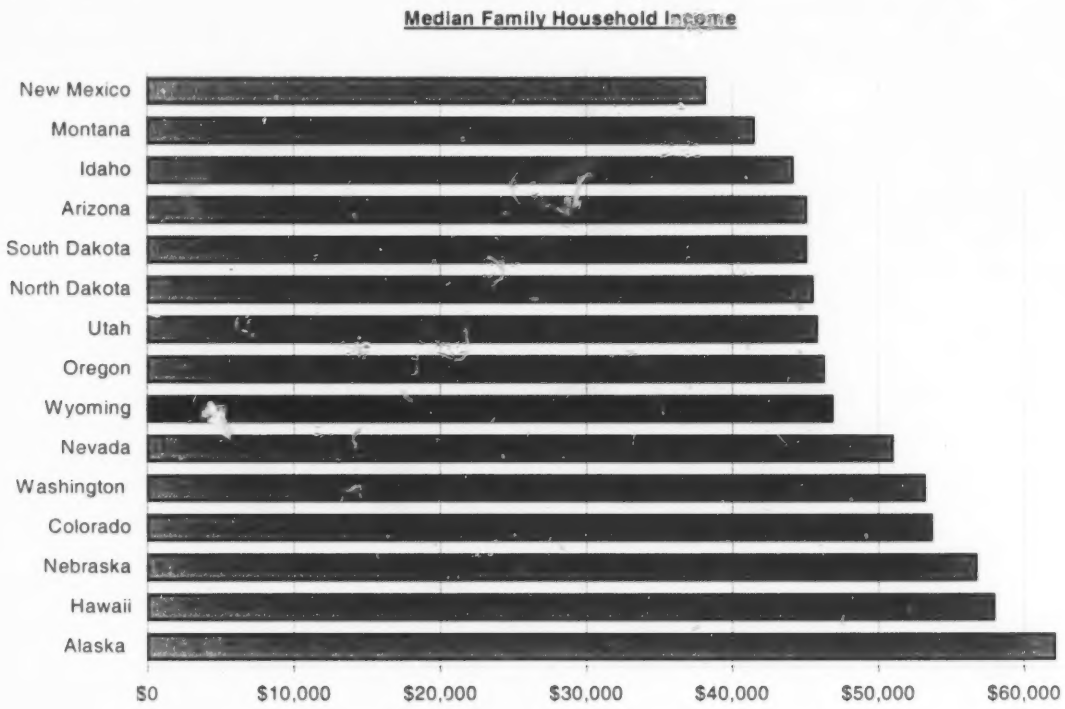

Figure 2

In response to research questions five and six, tuition revenue projections have been calculated for the Wyoming Community College System using 1999 (Fall) enrollment reports. "5. *What are the impacts in Wyoming of imposing out-of-district tuition? 6. What are the specific financial implications of uncapped linear tuition or tuition capped at different levels (using current enrollment figures)?*" These revenue projections are based on data describing headcount by credit hours and by residency status. Students registered for less than one credit hour got rounded up to one hour. Students taking more than twenty-two hours were assumed to take twenty-four credits. The idea is to provide an approximation of how different tuition models may impact revenues while holding enrollment patterns constant.

The findings answer each of the research questions in order. Research question 1 asks, "What are current tuition levels in contiguous and regional states relative to levels of median family income?" In order to be understood fully, this question must be answered in some depth, but in short, Wyoming has achieved near-parity with the WICHE states' tuition relative to income. The historical WICHE comparisons confirm the finding. An analysis of these results describing only contiguous states is presented in Appendix D.

Survey respondents reported an hourly tuition rate in eight states. Hourly tuition was calculated for the other eight using the methods described above. These values are shown in chart 2, below. This clearly shows the success of the WCCC's five-year plan to increase tuition up to the average. Appendix D, which presents the numbers for contiguous states only, reinforces this conclusion.

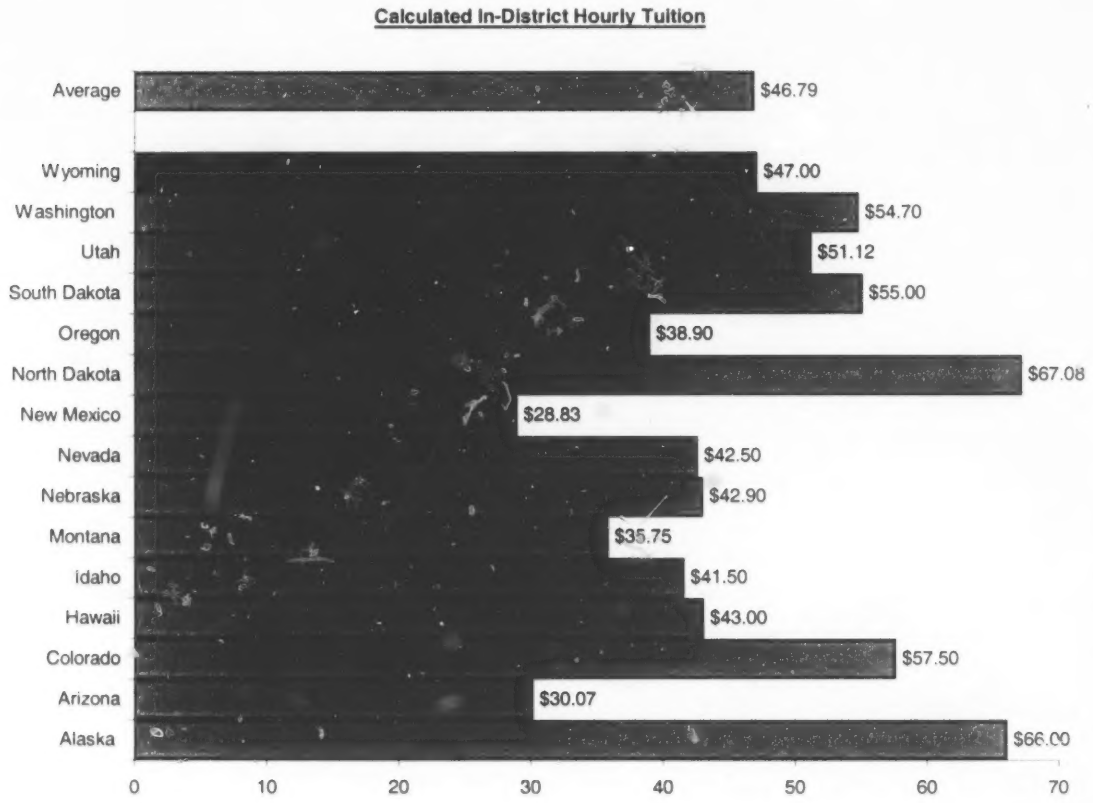

Figure 3

When median family income for each state is compared to resident (in-district) tuition costs per credit hour, the data show that Wyoming's community colleges now charge slightly more per income dollar than most states. This is pictured in the chart below, comparing median family income to resident in-district tuition.

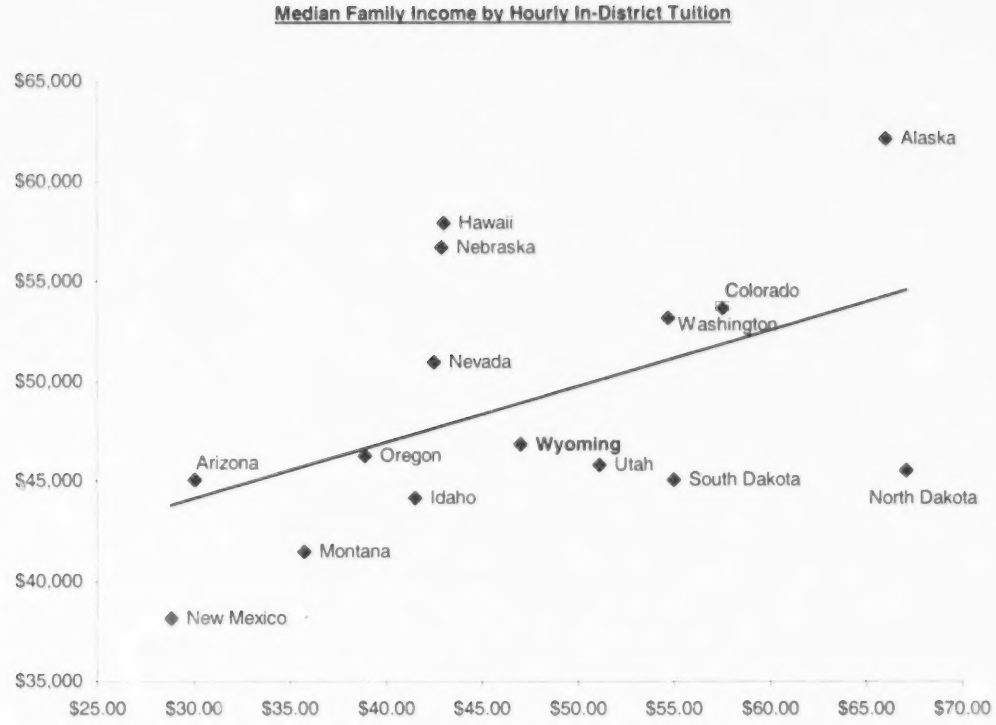

Figure 4

California is not represented here because their state policy to be "as nearly free as possible" has been taken seriously by recent administrations--it is a statistical outlier. Their rates literally are off the chart ($11 per hour, median family income $53,807).

The comparison of tuition to income yields many statistical conclusions. The vertical Y-axis displays median family income from the most recent U.S. Census Bureau data (Census Bureau 1998). The horizontal X-axis displays the amount of tuition full-time students paid per hour in 2000. As expected, the pattern of the relationship demonstrates that states with higher median family incomes tend to have higher tuition. The line-of-best-fit visually represents the concept that "for each additional dollar of median family income in a state, the amount of hourly in-district tuition will tend to increase." The line of best-fit shows Wyoming slightly below hourly tuition as predicted by median family income. The difference is about 21 cents per credit hour, or $3 per semester.

Pearson correlation analysis measures the linear association between variables, in this case, the relationship between median family income and hourly tuition. *Figure 2* below demonstrates that the relationship between these variables is significant at the 95% confidence level and moderately strong (r=.494). Consequently, there is statistical support for the WCCC's decision to consider median family income when studying tuition.

Correlations

		Median Family Income	Hourly Tuition
Median Family Income	Pearson Correlation	1.000	.494*
	Sig. (1-tailed)	.	.031
	N	15	15
Hourly Tuition	Pearson Correlation	.494*	1.000
	Sig. (1-tailed)	.031	.
	N	15	15

*. Correlation is significant at the 0.05 level (1-tailed).

Figure 5

The correlation coefficient increases to .646 (a strong correlation) when the extreme outlier, North Dakota, is excluded from the analysis. The analysis also then produces a significant regression coefficient (r^2= .369). R square is a proportional reduction in error measurement interpreted as: 37% of the variation in tuition levels in WICHE states can be explained by variation in levels of median family income (*Figure 3).* On the whole, it appears that income is a fairly prominent factor in establishing tuition levels in WICHE states. Whether market considerations are a conscious or unconscious dynamic in the decision-making process, "ability to pay" is associated. As in private-for-profit enterprises, "what the market will bear" is also a consideration in public postsecondary education. Substantive reasons for North Dakota's sizeable deviation from the line of best fit are unknown.

Model

Mod	R	R	Adjuste R	Std. Error the
1	.64 [a]	.41	.36	8.431

a. Predictors: (Constant),

Figure 6

Regional affordability of community college education can be assessed by portraying tuition and tuition/fees as a percentage of median family income. Adjusted for state-level income, *Figure 4* shows that Wyoming's community colleges charge slightly more than the mean of the sample states (5/100ths of one percent or again, $0.21 per credit hour above the sample mean).

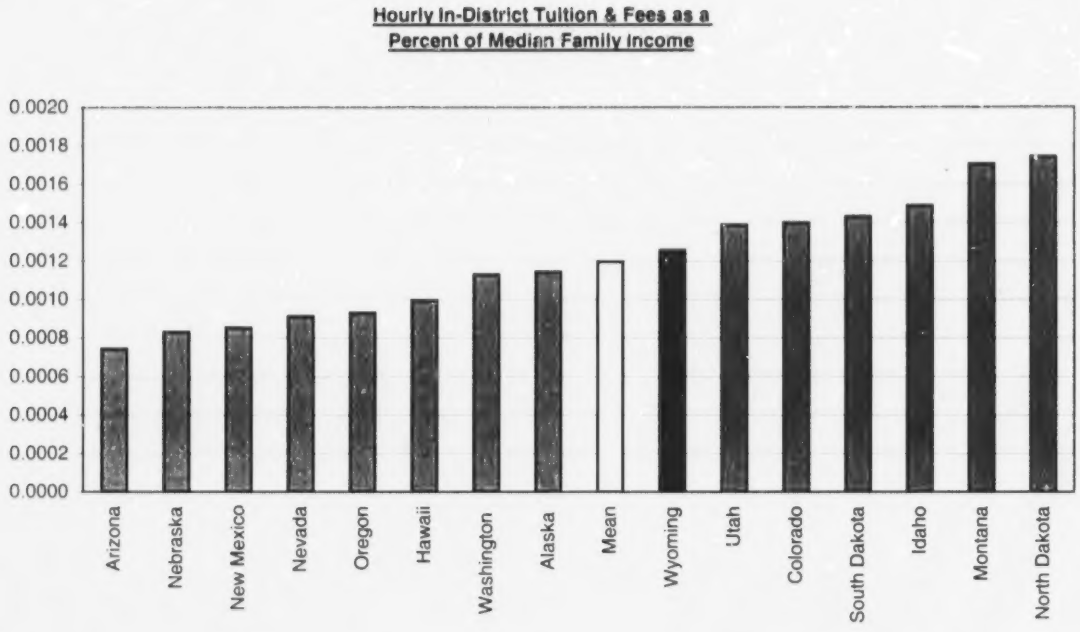

Figure 7

This study also considered historical data to get an accurate analysis of the trends involved. The historical WICHE comparison answers the same research question over time. The data are from tuition and fee reports that ask state-level governing boards to report annualized tuition and fees. This chart does not include Nebraska because they are not a WICHE state. Historical tuition comparisons show Wyoming rates have been relatively low, as seen in *Figure 5*. Wyoming's tuition and fees for resident in-district students have been consistently below the sample's average. This data shows exactly what was predicted in the *WCCC Long-term Tuition Study Framework*.

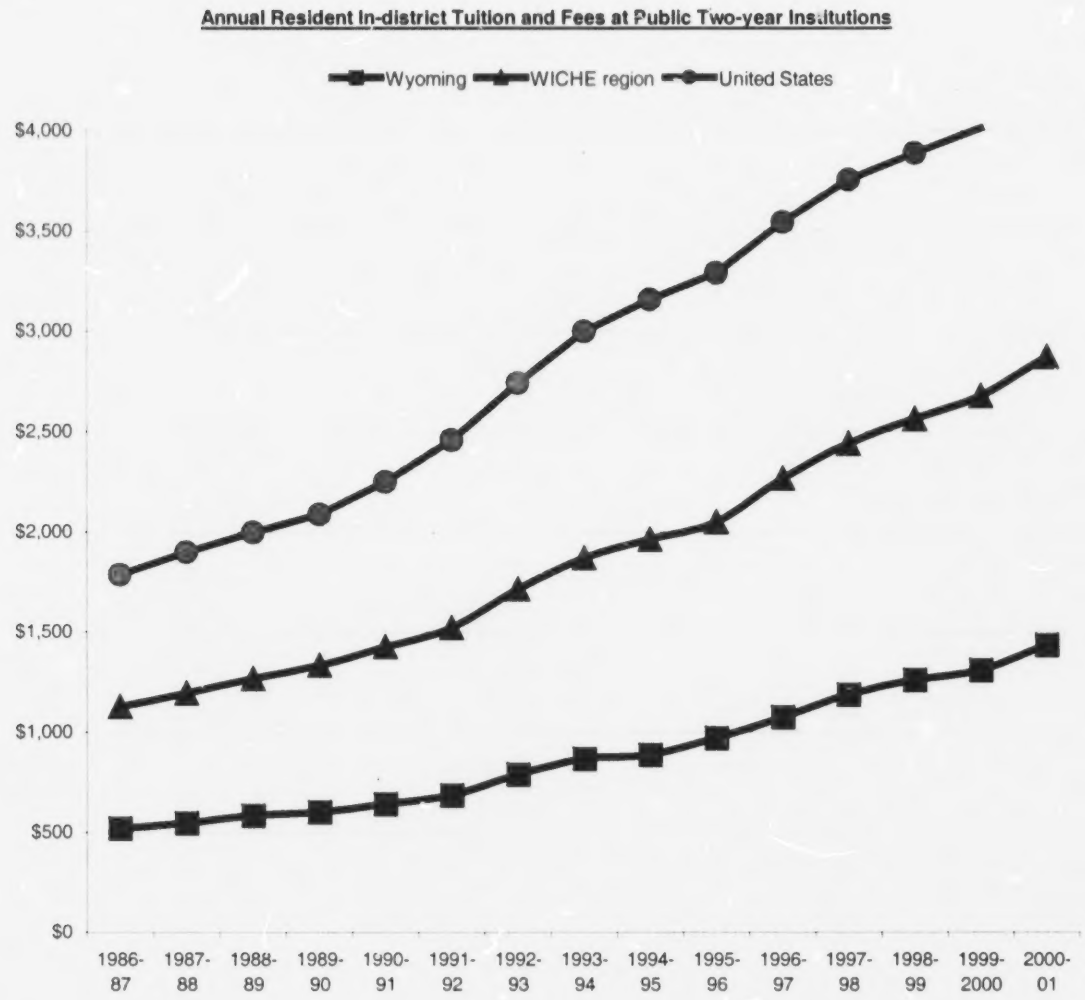

Figure 8

States in the west, and WICHE states particularly, have the most affordable community colleges in the nation. Regional affordability of community college education is also assessed by portraying tuition and tuition/fees as a percentage of median family income. Adjusted for state-level income, *Figure 6* shows that Wyoming's community colleges charge slightly more than the mean of the sample states (5/100ths of one percent or again, $0.21 per credit hour above the sample mean). This same data can be compared to the national average.

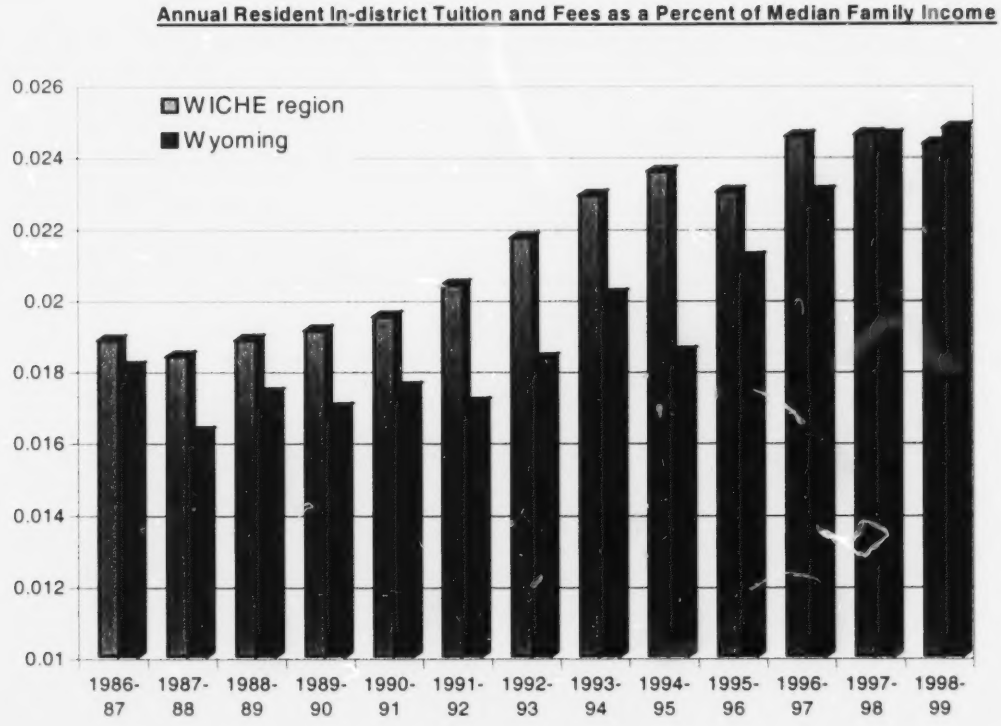

Figure 9

This same proximate relationship is true when comparing all resident out-district tuition and fees. Wyoming colleges do not differentiate between Wyoming residents in any cost-impacting way. This policy accentuates the affordability of Wyoming colleges for some resident students. That is why on the chart below, Wyoming compares very favorably to the WICHE region (*Figure 7*). Tuition revenue projections discussed below elaborate on this topic.

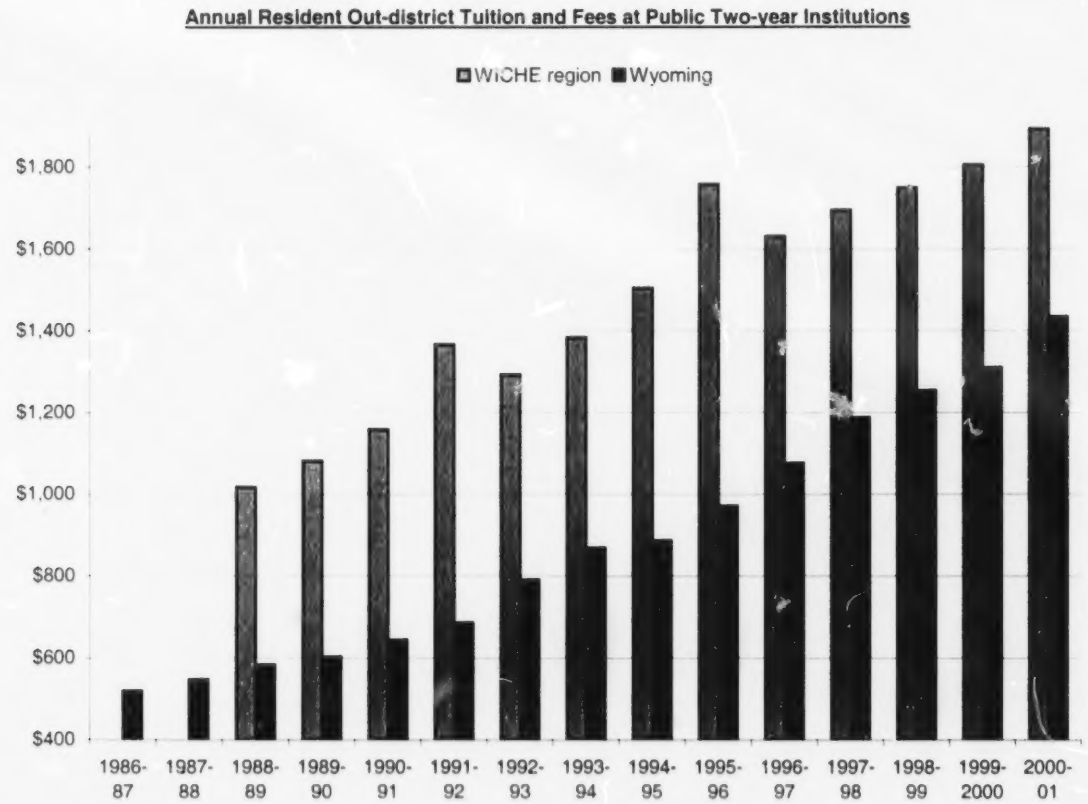

Figure 10

A different example, nonresident tuition, shows again Wyoming's community college tuition is relatively affordable. The pattern for nonresident students shows a different trend. Whereas the resident tuition for Wyoming is approaching (and has equaled) the WICHE average, the tuition and fees for nonresidents maintains significant cost differences as time goes on. This matches anecdotal evidence in Wyoming. Students from outside the WICHE region often state a primary reason to enroll in Wyoming colleges is comparative affordability.

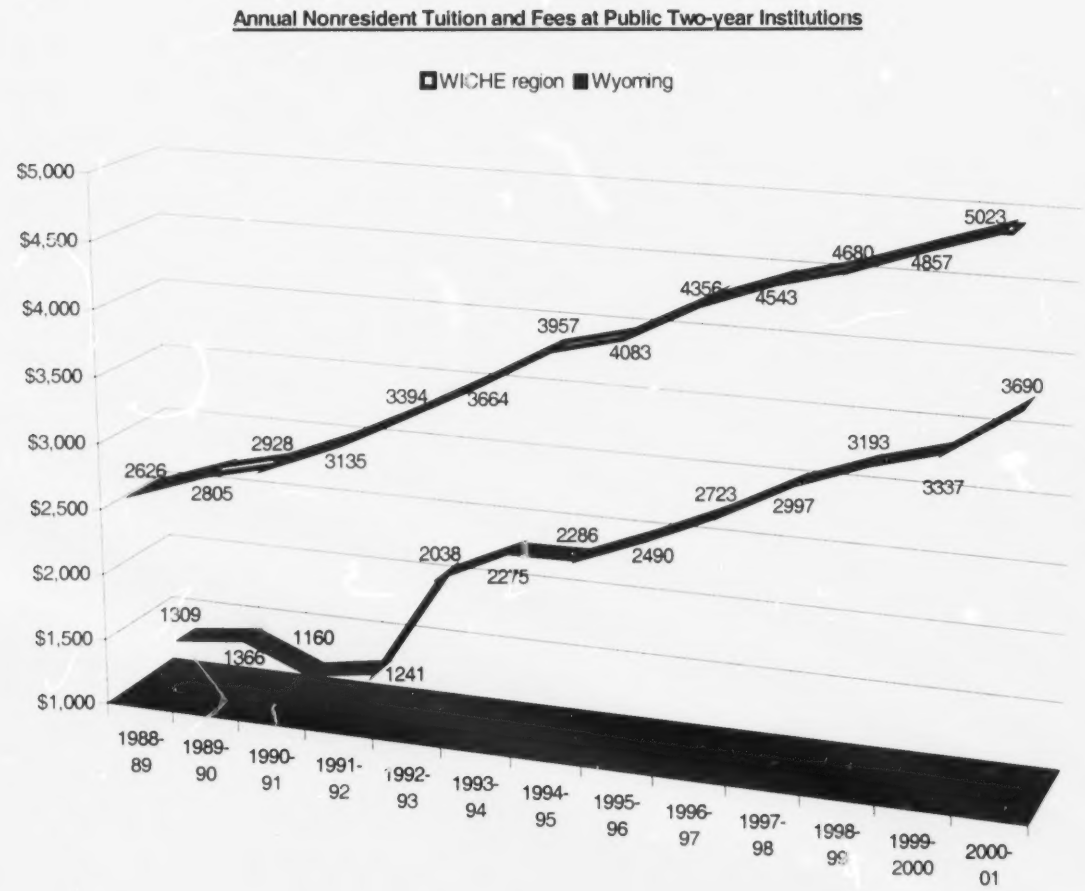

Figure 11

While WICHE colleges on average charge $5,023 annual tuition and fees for nonresidents, Wyoming charges only $3,690. In real dollars, the savings an average nonresident gets by attending community college in Wyoming amounts to about $1,333 per semester, or about $111 per credit hour (assuming a 12 credit course load). However, these savings only apply to students who are not from within the WICHE region because most students from within the region would get the Western Undergraduate Exchange (WUE) rate. These figures represent savings over attending other WICHE colleges as an out-of-state student.

So the answer to research question 1 is that, when averaged, current tuition levels in contiguous and regional states relative to levels of median family income are about the same as Wyoming's. The exception is nonresidents from out of the region, who save substantially by attending community colleges in Wyoming.

Research question 2 asks, "What are current national (and regional if available) tuition policies related to distance education?" The short answer is: Distance-learning technology impacts cost in some states and not in others. Data on this question vary widely. Five states were able to definitively state that they have different tuition policies for courses offered through distance-learning technologies. Eight states said there was no difference in tuition. Below is a report on these five states' policies:

- Arizona charges $20 additional tuition per **course** online.
- Colorado charges an additional $118 per **credit** online.
- In Montana, regular out-district and nonresident rates are paid for online learning.
- North Dakota's policy is that campuses have flexibility to charge different rates for distance education. It was stated, "this is a recent policy." North Dakota's statewide guidelines stipulate only that distance technology rates are not less than resident tuition rates.
- Washington's policy is that there is an additional charge of $40 per student, per quarter for distance learning courses taken through Washington Online (to cover the overhead for Washington Online).

Some respondents were uncertain. In New Mexico, the issue is unknown at the state level and under varying local control. In Oregon, the respondent said, "Treasure Valley Community College does [have different tuition for distance-learning]. I just took a class on the Internet myself, and it cost only in-district tuition even though one student was in another country!" So education via distance-learning technology generates additional revenue in about one third of states considered. Nationwide, the most recent information (Education Commission of the States, *State Funding for Community Colleges: A 50-State Survey* November 2000, p. 41) follows the trend observed in WICHE states:

- Respondents from 31 states said there is no difference between the tuition charged for distance education and the rate charged for on-campus courses for in-state students. (Wyoming is listed in this group.)
- Nine states report the issue is generally a matter of local control.
- Ten states report there is a difference in the tuition rates for the two types of courses. Those 10 states reported various policies, which are detailed in Appendix C.

Research question 3 asks, "What are current national (and regional if available) differential programs tuition policies and/or differential fee policies?"

Linear – This is defined as a policy where community colleges charge a single per credit hour rate, regardless of the number of hours a student takes. About half of the sampled states (7 of 15) have at least one college with this policy. The respondents described 37 institutions with only linear tuition. The average reported rate was $53 per credit hour for resident in-district students. Wyoming's rate is $47 per credit hour.

Plateau – This plan charges a set rate for full time students, then an additional rate (often called overload rate) for credits in excess of a certain number. About half of the sampled states (7 of 15) have at least one college with this policy. Respondents described 57 institutions with plateau policies. The average full-time policy begins at 12 credit hours. Overload tuition begins, on average, at 19 credit hours. The average overload rate for additional courses was $46.64 per credit hour. This is the most commonly observed tuition policy.

Capped – This policy is defined as colleges charging linear tuition up to a flat rate for full-time students and then additional credits are free. Again, about half (7 of 15) states in the sample region report at least one college with a tuition cap. Respondents described 29 such institutions. The average tuition cap was 13 credit hours

Respondents described colleges' tuition policies at 123 of 126 institutions. Three colleges and California's 106 colleges were excluded from this categorization because their tuition policies do not fit any described model. The results are pictured in *Figure 9*, below.

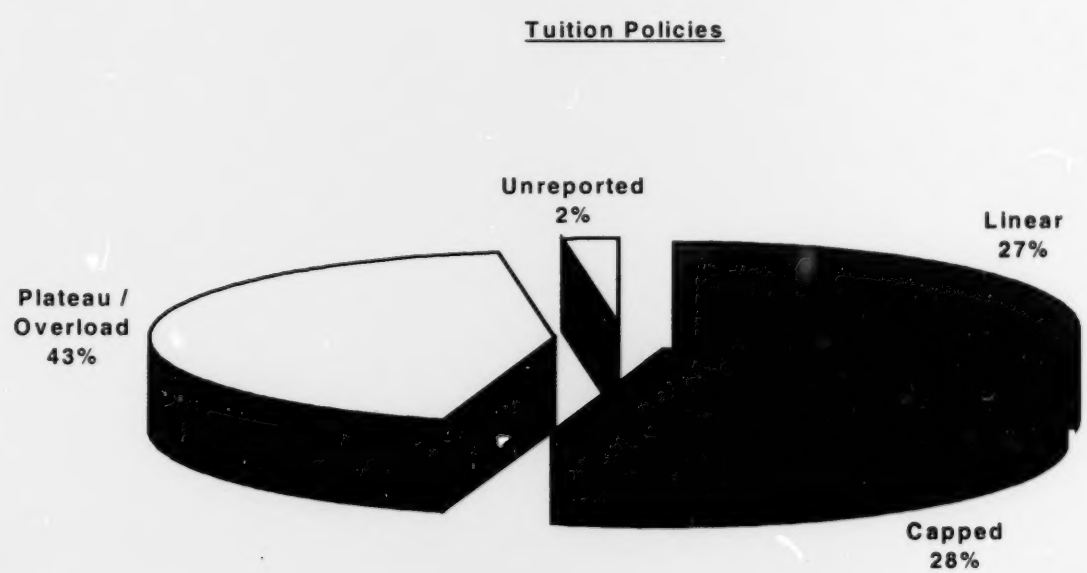

Figure 12

These are the basic tuition policies described. Policies about fees were more challenging to uncover. Telephone methodology was aptly suited to separate examination of tuition and fees. Many states have widely varied fee policies, and the state-level respondents did not always have adequate information. The distinction between tuition and fees was difficult to implement in some cases. In California, a mandatory charge associated with virtually all for-credit course work is technically referred to as a "registration fee." California has no 'tuition' but instead this 'fee.' California community colleges also charge other fees for technology, and for activities. To ensure uniformity, this study calls any mandatory "registration fee" tuition, even when that state prefers this cost to be called a fee. Also it was found that although most states have clear and uniform tuition policies, little or no statewide control of fees exists in the WICHE region.

Programmatic cost differences universally involved increased course fees for material- and technology-intensive classes. In Wyoming, colleges' power to set fees is established by law (W.S. 21-18-303).

> 21-18-303. District board generally; powers; board approved additional mill levy.
>
> (a) The community college district board may:
>
> (vii) Establish and collect charges, and rentals and student fees for services and facilities furnished, acquired, constructed, or purchased from the proceeds of revenue bonds;
>
> (viii) Charge and collect fees and tuition;

This structure generally mimicked the policy in most WICHE states. Instructors have the ability to define course fees for materials, travel, or equipment and the state level governing boards have very little information about these fees. No respondent was able by telephone or in follow-up emails to answer question 13, items b-f (see Appendix A): ""Which five programs (with traditional delivery methods **only**) have the largest tuition differential (in dollars) compared to standard programs? " Additional research uncovered further variation. To comprehensively answer this question, data for each course within a program of study would need to be tabulated, and assembled into a database. The tuition telephone survey resulted in responses summarized below (chart 4).

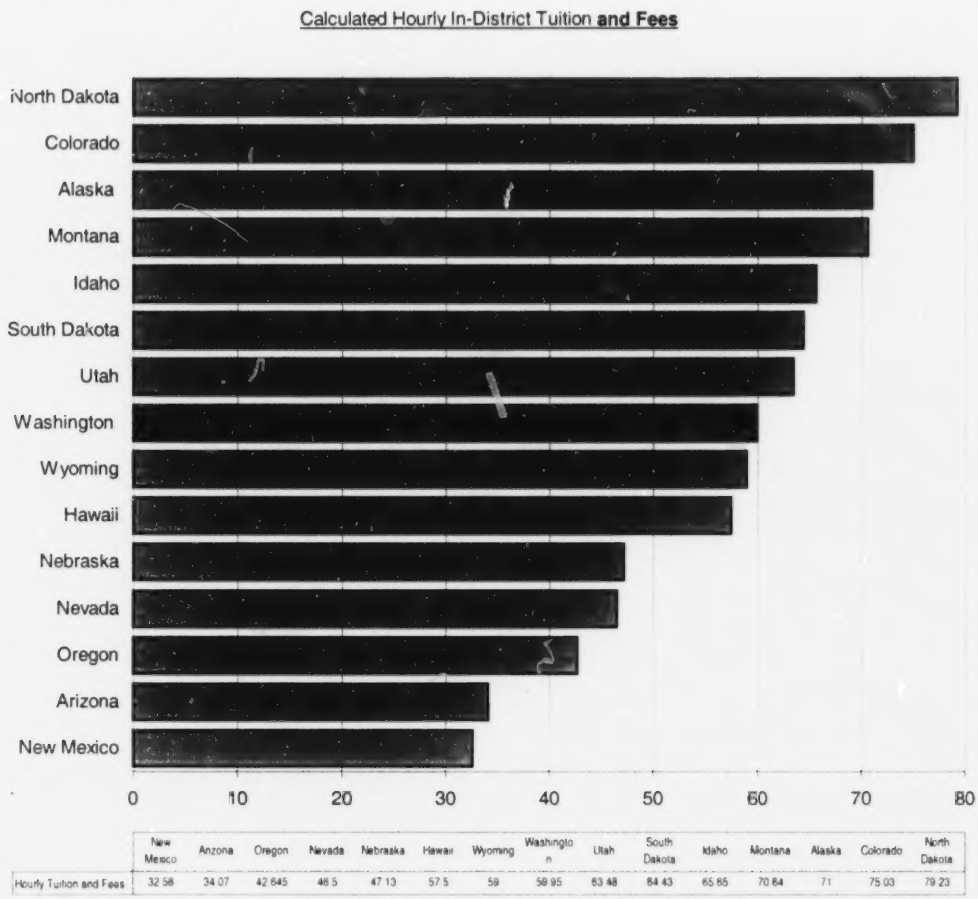

Figure 13

With regard to the Western Undergraduate Exchange program, all respondents were aware of its existence, but some had little information on the program. Not all states use the WUE exchange program at the two-year level.

Respondents were asked to freely speculate about the possible relationship between rising tuition and lowering enrollment. Their responses are not data. Instead each individual's intuition and speculation are summarized in Appendix B.

Research question 4 asks, "What can be learned from other states or institutions about elimination of out-state tuition? Reduced tuition for contiguous out-state counties should be addressed also." This research uncovered three examples of state-sponsored two-year institutions that have no out-of-state tuition. Prince William Sound Community College in Alaska has no out-of-state tuition. This is the only community college in Alaska, and it has the highest resident in-district tuition rates in the sample. That suggests that eliminating out-of-state tuition increases the relative burden on local students. A

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contradictory example, California's community colleges offer the WUE rates to students from any state. California's institutions offer low tuition (almost free for in-district students). Furthermore, the community colleges in California generate about 2/3 of all FTE enrollment in the entire WICHE system. South Dakota, though it has no two-year community colleges, has uniform tuition rates at its state-funded, two-year technical schools. The attitude of the respondent was "We don't care where they are from. If a person wants to attend, we charge fifty-five dollars per credit hour." It is unknown whether the tuition policies in these three examples are related to any specific outcomes.

On the other hand, there are many situations where local college governing boards choose to implement exceptions to statewide tuition policies. Oregon, Idaho, and Washington each have examples of individual colleges extending their districts to allow students from neighboring counties (in neighboring states) to attend while paying resident in-district tuition rates. Some respondents reported that sometimes this was decided on a student-by-student basis, with no formal policy.

Research question 5 asks, "What are the impacts in Wyoming of imposing out-of-district tuition?" Two thirds of the states have no policy about in-district and out-district tuition. Generally, those who define different tuition rates for in-district students charge a little less (about $530 tuition per semester) for local residents, while institutions without the distinction charge about $650 for the same local residents. The predominant district definitions were simple geographic regions utilizing county lines in rough circles around each community college. This is the system in use in Wyoming. Not all cases (states) make district distinctions. Some states define districts, but these definitions do not affect cost.

Tuition projections have been calculated using 1999-2000 enrollment reports. The numbers in the table below are based on data describing headcount by credit hours. Although this tuition projection has been completed for each community college, using each school's individual numbers would unnecessarily complicate this section. Those spreadsheets have been created and are available, but the numbers below describe the entire Community College System in Wyoming. Tuition per credit hour is set at $49, and nonresident tuition is set at 3 times this amount. Nonresident students are 6.8% of the enrollment by headcount, and 11.6% of the enrollment by credit hours. This is indicative of the fact that the average nonresident enrolls for 13.8 hours, while the in-state students average enrollment is 7.6 credit hours.

The average out-of-county student takes 7.5 credits. Recent discussions with Institutional Researchers at the colleges revealed that the county-by-county data submitted through the Enrollment Reports is not very accurate because of Colleague software protocols. Analysis of this section should be viewed skeptically. Although this analysis should be viewed with caution, it was included because such analysis will be important to discussions around statewide mill levies.

To generate projections about implementing out-district tuition, this analysis makes some generalizations about out-county enrollment. Although out-county percent of FTE varies from 18.3% at LCCC to 51.1% at NWCCD, the projections below use the system average (29.5%) to speculate about potential revenues from out-district tuition. Out-district tuition is arbitrarily set at 2 times the in-district rate. This projection does not in any way take into account the fact that changing tuition policy will affect enrollment patterns. In the absence of any hard data about tuition policy affecting enrollment, the results of the tuition projection must be interpreted with caution. The dollar amounts are the projected tuition revenue for the whole community college system, rounded to the nearest whole dollar.

Linear - $21,001,963
- With out-district tuition – $27,909,568
- Without nonresident tuition - $15,238,461
- With out-district and no nonresident tuition - $24,859,706

Capped
- 12 hours - $17,923,156
  - With out-district tuition - $20,227,673
  - Without nonresident tuition - $13,098,092
- 15 hours - $20,432,730
  - With out-district tuition - $27,333,335
  - Without nonresident tuition - $14,494,788

Plateau
- 12-18 hour - $17,179,890
  - Without nonresident tuition - $13,690,698
  - With $51 overload and no nonresident tuition - $13,751,558

Keep in mind that most in-state students attend part-time, so policies that limit full-time tuition (plateaus and caps) predominately benefit nonresident students. Also consider the fact that Wyoming colleges' nonresident tuition is already about 73% of what the other WICHE states' colleges historically charge nonresidents (on average). Linear tuition policies have the potential to cause changes in the enrollment patterns these projections are based on.

This research cannot answer a suggested research question: "Would lowering tuition create enough volume to allow the income to break even and thus increase access?" – From Dr. Chuck Bohlen's email of 4-25-0. Commissioners have asked that the issue of how changes in tuition could affect access, considering median household income, be addressed. A preliminary literature review produced no conclusive evidence. Any changes to tuition policy will potentially affect enrollment patterns, but the effect is unpredictable at this level of analysis. Telephone survey respondents speculated on the question and those respondents are included as Appendix B.

State-Level Student Financial Aid

In assessing cost-to-the-student for attending college, availability of student financial aid must also be considered. In Wyoming all community colleges are Title IV eligible and therefore have access to federal financial aid programs—subsidized and unsubsidized Stafford Loans and Pell Grants. In state-level student financial aid, Wyoming ranks very near the bottom nationally (National Association of State Student Grant and Aid Programs, "31st Annual Survey Report 1999-2000 Academic Year"):

a) Estimated State-Level Grant Dollars per College Age Resident Population; Wyoming is 47th out of 51.

b) Estimated State-Level Grant Dollars to Undergraduates per Full-Time Undergraduate Enrollment: Wyoming is 49th out of 51 (the only states below Wyoming offer no undergraduate aid).

c) Estimated Percentage of Full-Time Undergraduates Receiving Grant Awards; Wyoming is 48th out of 51 with 1.06% of its undergraduates receiving aid.

d) The average of WICHE states undergraduate aid per full-time undergraduate enrollment is $185.95 per student, and the same figure for Wyoming is $9.77.

A consequence of offering less state aid to students is that institutions must compensate by offering more institutional student aid. In fiscal year 2001, Wyoming colleges provided $2,111,017 in institutional aid to students. Although some of the institutional aid comes from the state aid to colleges block grant, the dollars used for student aid reduce amounts available to other functions in college operating budgets. In states where less institutional aid is required because of ample state aid, colleges may be more able to hold tuition costs down.

POLICY IMPLICATIONS

The data presented in this study indicate that tuition and fee levels in the WICHE states are associated with median family income (or consumer ability to pay). Wyoming is just below the sample states' mean (WICHE states excluding California and with the addition of Nebraska) in median family income: Wyoming = $46,830 and Sample Mean = $48,837. Wyoming's hourly tuition is also near the mean: Wyoming = $47 and Mean = $46.79. Wyoming is close to the mean in hourly tuition and fees: Wyoming = $59.00 and Mean = $57.92. When taking hourly tuition and fees as a percentage of median family income, Wyoming is again very near the mean: Wyoming = .13% and Mean = .12%.

Tuition and fees in the WICHE states have increased at approximately 5% per year over the past 5 years (based upon full-time methodology computed by WICHE). On average in the WICHE states, 18% of the tuition and fees figure is fees alone (using survey data

and computation methodology described in this report). So approximately one/fifth or 1 percentage point of the observed 5% per year increase is due to increases in fees. Conversely, 4% is due to tuition increases. There is no evidence to suggest that these rates will either accelerate or decelerate in the near future.

The statutory role of the WCCC extends only to establishing *tuition* levels, yet much of this study focuses on assessing actual cost-to-the-student of community college education while taking into account median family income (consumer affordability). Assuming a goal of maintaining affordable community college education for Wyoming citizens while concurrently asking students to pay a reasonable share of educational costs, the WCCC staff recommends that tuition be increased at 4% per year over the next 5 years. Rates of tuition increases in WICHE states should be watched closely over the succeeding years so that a goal of maintaining cost-to-the-student relative to median family income can remain near the average of the sampled states.

Differential fees for expensive to deliver programs are not included in the WICHE data or the data gathered for this study because only fees that are assessed on "virtually all credit students" are included. This study found that differential fees are commonly used by community colleges in the region to offset expensive to deliver programs. Similarly in the WICHE region, differential fees are being charged by community colleges to offset the cost of distance delivery coursework.

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ECS - Education Commission of the States, Community College Policy Center; *State Funding for Community Colleges: A 50-State Survey* November 2000.

NCES – National Center for Education Statistics; *Digest of Education Statistics*, pages 152, 153, November 2000.

WICHE - Western Interstate Commission for Higher Education; *Policy Indicators for Higher Education: WICHE State* (Fourth Edition) Ed. Caroline Hilk; CD-ROM or http://www.wiche.edu/; November 2000.

WICHE - Western Interstate Commission for Higher Education; *Tuition and Fees in Public Higher Education in the West,* 1996-1997 Detailed Tuition and Fees Tables, 1997-1998 Detailed Tuition and Fees Tables, 1998-1999 Detailed Tuition and Fees Tables, 1999-2000 Detailed Tuition and Fees Tables, and 2000-2001 Detailed Tuition and Fees Tables, Boulder Colorado, various dates of publication.

United States Census Bureau; *Median Income for 4-Person Families, by State*; http://www.census.gov/hhes/income/4person.html; February 2001.

Wyoming Community College Commission; *Meeting Minutes;* January 19-20, 1995; Page 5, Item J.

Wyoming State Legislature; *Wyoming Statutes Online*; http://legisweb.state.wy.us/titles/20titles/title21/c18.htm; February 2001.

APPENDIX A: TELEPHONE SURVEY QUESTIONNAIRE:

"Hi, my name is ___ calling on behalf of the Wyoming Community College Commission. We are conducting a phone survey to supplement the WICHE (Western Interstate Commission for Higher Education's) tuition survey done last spring. Your name is listed on the WICHE survey (or on a website) as the contact person for tuition and fees. The survey usually takes about ten minutes. Is this a good time to answer a few questions?"

If no...

"When (what specific day and time) is good for you?"

(If they respond that they are incapable of providing the information...) "We would be happy to contact someone else more knowledgeable in this area. Who do you recommend?"

If yes, proceed...
"All questions pertain to public two-year colleges in [state]."

1) "How much per semester is tuition, **not including fees**, for **in-district** students?"
Per Credit Hour $ Full-time $

2) "What defines each district?"

3) "How are **required or standard** fees structured in [state]?" *(Required or standard fees are registration fees, activity or technology fees that are applicable to virtually all credit students, but do not include individual course or lab fees.)*
Per Credit Hour: $ Full-time $
Notes or qualifications:

4) "How much per semester is tuition, not including fees, for **out-of-district** students?"
Same [ ] Per Credit Hour $ Full-time $

5) "Are fees different for out-of-district students?" No [ ]
Per Credit Hour $ Full-time $
Notes or qualifications:

6) "How much per semester is tuition, not including fees, for WUE (Western Undergraduate Exchange) students?" Same [ ]
Per Credit Hour $ Full-time $

7) "Are fees different for WUE students?" No [ ]
Per Credit Hour $ Full-time $
Notes or qualifications:

8) "How much per semester is tuition for out-of-state students?" Same [ ]
Per Credit Hour $ Full-time $

9) "Are fees different for out-of-state students?" No [ ]
Per Credit Hour $ Full-time $
Notes or qualifications:

10) Linear Tuition - "Do any community colleges in [state name] charge a single per credit hour (linear tuition) rate, regardless of the number of hours a student takes?"
Yes [ ] b. No [ ]

If yes,

"How many community colleges in [state name] charge purely linear tuition?"
__ of __ colleges

"How much is the per hour rate (linear tuition without mandatory fees) at your state's community colleges?"
$ *per credit hour linear tuition rate*

If no, proceed...
11) Plateau or Overload tuition - "Some colleges have a "plateau" tuition plan model. This plan charges a set rate for full time students, then an additional rate (often called overload rate) for credits in excess of a certain number. Do any community colleges in your state charge additional tuition for students taking more hours than full-time?"
Yes [ ] No [ ]

If yes,
"How many community colleges in [state] charge overload tuition rates?"
__ of __ colleges

"How many credit hours is full time?"
credit hours

"How many credit hours can be taken before overload rates begin?"
credit hours

"For credits beyond the overload, how much is tuition?"
$ per credit hour overload tuition rate

If no, proceed...
12) Tuition Capped at Full-time - "Some colleges charge linear tuition up to a flat rate for full-time students and then further credits are discounted or free. Do any community colleges in your state have a "capped" full-time tuition policy?" Yes [ ] No [ ]

If yes,
"How many credit hours is the cap?" credit hours

"For credits beyond the full-time cap, is per hour tuition free, or discounted?"
No [] Free [ ] Discounted [ ]: "At what percent %?"

If no, proceed...
13) Differential Tuition: Programmatic "Do community colleges in [state name] have differing tuition rates (or fees) for individual programs? Consider both professional and vocational majors such as nursing, dental hygienist, refrigeration, welding, photography."
Yes [] No [ ]

If yes,
"Which five programs (with traditional delivery methods **only**) have the largest tuition differential (in dollars) compared to standard programs? "

a.
How much is tuition for that program? $
b.
How much is tuition for that program? $
c.
How much is tuition for that program? $

d.

How much is tuition for that program? $

e.

How much is tuition for that program? $

If no, proceed...

14) "One method that colleges use to offset the cost of "expensive to deliver" programs is to charge additional fees while maintaining standard tuition. Are there *programs of study* in your state's institutions that require additional fees?"

Yes [ ] No [ ]

If yes,

"What programs charge significantly higher fees?"

"How much are these fees?"

If no, proceed...

15) Differential Tuition: Distance Learning

"Do your state's institutions charge different tuition or fees for courses offered through distance learning technologies?" Yes [ ] No [ ]

If yes,

"On average, what is the price difference between identical courses offered through traditional delivery methods and distance technology methods?"

Traditional $ Distance technology $

16) "Do you think rising tuition and fee levels in your state have affected enrollment?"

Yes [ ] No [ ]

If yes, "why?"

17) "Would you like to receive the results of this survey?" Yes [ ] No [ ]

(Survey NOT completed)

"On behalf of the Wyoming Community College Commission, thank you for participating. So I can send you those unanswered questions, please let me confirm your email address."

(Survey COMPLETE) "On behalf of the Wyoming Community College Commission, thank you very much for participating. So you may receive a copy of the results, please let me confirm your email address."

APPENDIX B: ANSWERS TO TELEPHONE SURVEY ITEM 16:

The surveyor asked, "Do you think rising tuition and fee levels in your state have affected enrollment?"

Alaska's respondent said, "No. We have a pretty good scholarship program. We have a lot of partners with industry and school districts. They help provide scholarships. We are also one of the cheapest in the state."

Arizona's respondent said, "No. We don't think it has because there is so much financial aid available. Also our state is pretty low [cost] compared to any other WICHE state except California."

California's respondent said, "No. California's tuition has been decreasing, so it is difficult to answer that question."

Colorado's respondent said, "**Yes**. There is a lot of speculation that this may be so, particularly with first generation students who don't have a support network of people who have been through college. We find that they tend to over-inflate the cost. People think it is more expensive than it really is. Folks who are working at, say for example, minimum wage jobs, and they hear $57.75 per credit hour... ...they think that is expensive because they have not explored any options for financial assistance."

Hawaii's respondent said, "No. Tuition is a factor but there is not a causal relationship. The economy affects enrollment, budgetary changes affect it, and image and perception. For example, some courses were recently reclassified as not-for-credit. That lowers for-credit enrollment figures, but it is just a result of changed perceptions."

Idaho's respondent said, "No. At the four-year schools, we have had some pretty hefty [tuition] increases. However, [tuition rates] are low in comparison. Enrollment keeps going up."

Montana's respondent said, "**Yes**. Our enrollments have been declining at Community Colleges. I understand it is cheaper for students to go to neighboring states than to attend some Community Colleges. I am not sure that is true, it is just hearsay."

Nebraska's respondent said, "No. Institutions have been very good at keeping tuition relatively low. The increases at the community colleges have been minimal. Compared to state schools and universities, tuition increases have been small."

Nevada's respondent said, "No. We don't see evidence of that. Enrollment has continued to grow even though costs have been on the increase."

New Mexico's respondent said, "No. New Mexico is in a unique category because of our new Lottery Success Scholarship. What that does is for students who directly go from high school to college, once they succeed in their first semester, thereafter tuition is paid for. Since this program began five years ago, FTE headcount has been increasing."

North Dakota's respondent said, "No. No evidence of this."

Oregon's respondent said, "No. I don't think I can answer that question. In the last three years the price didn't seem to change much."

South Dakota's respondent said, "No. It has not affected us. We are trying to keep the price from jumping up. We are incorporating smaller tuition increases to prevent a rapid rise. The cost of providing the courses is increasing over time. To meet that cost in the future, we are planning for the long-term."

Utah's respondent said, "No. It does not look like it. I want to check the data but it looks like tuition has risen and so has enrollment. I don't see any correlation between the two. People are still going to college."

Washington's respondent said, "No. Not in the last six years. Seven or eight years ago we had some big [tuition] hikes, so that may have affected [enrollment] rates back then."

APPENDIX C: DISTANCE LEARNING TUITION POLICIES

The Education Commission of the States did a study of all fifty states that was published in November 2000. Their Community College Policy Center's report, *State Funding for Community Colleges: A 50-State Survey* reports ten states with a difference in tuition for distance education. Of these ten, eight have some explanatory comments, quoted below.

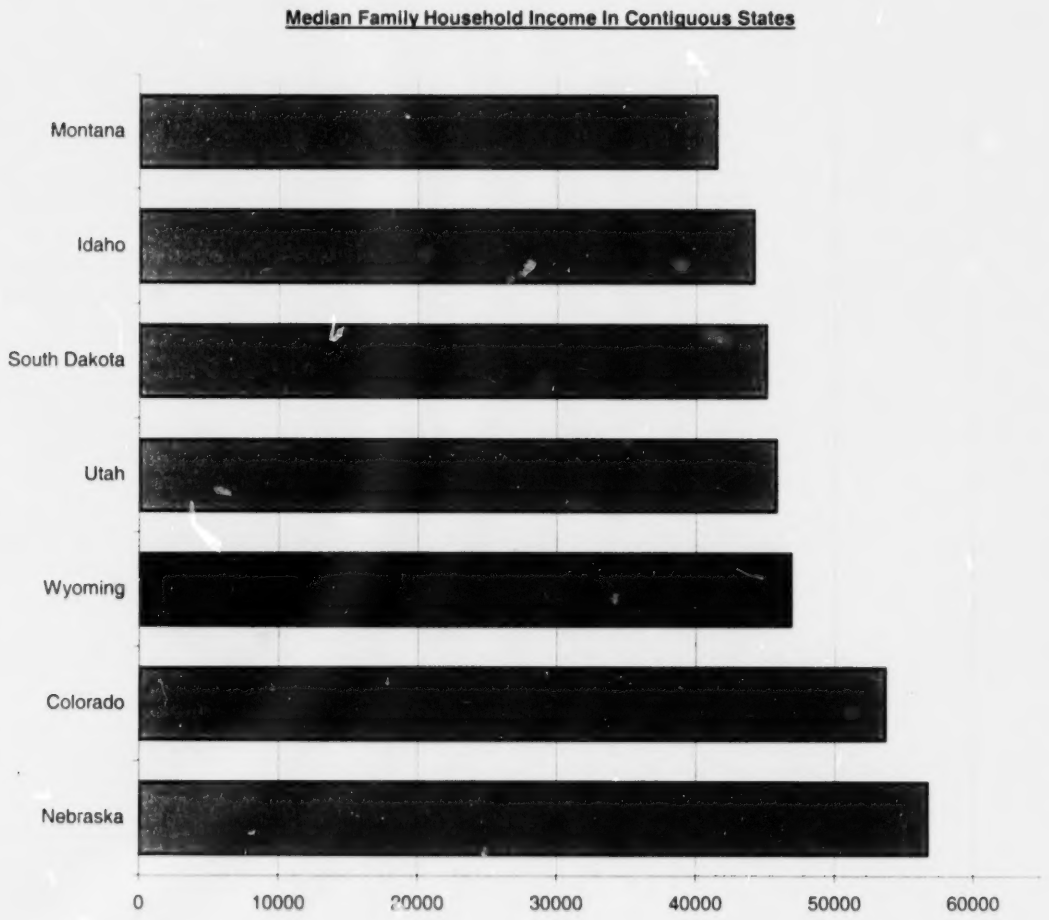
- Kansas – Local boards may do so (i.e., charge different tuition rates).
- Maryland – It depends on the institution, but generally distance education courses cost more.
- Michigan – The state's 29 public community colleges are members of the Michigan Community College Virtual Learning Collaborative. The collaborative is designed to allow community college students to take courses from other member colleges while still receiving support services and maintaining their academic record at their designated home college. The collaborative established the following tuition structure: (1) in-district -- $90/credit; (2) out-of-district -- $130/credit; (3) out-of-state -- $170/credit.
- Montana – Each community college can assess specific course fees based on additional costs incurred.
- New Jersey – New Jersey recently established the New Jersey Virtual Community College Consortium. All of the colleges joined the consortium and agreed to charge the same tuition/fees for online courses -- $80/credit for 2000-01.
- New Mexico – This varies by institution, but the state has been assessing a 150% tuition credit rate to institutions and an FTE reimbursement of "1" only if offered "out-of-service-area." Institutions may assess differential tuition and fees to cover losses.
- Pennsylvania – Same rate for sponsored students. The tuition rate for nonsponsored students is a matter of local control. Some colleges charge double tuition for nonsponsored students, and others charge the same as the rate for sponsored students.
- West Virginia – Some charge an electronic fee.

Survey respondents also were asked whether their states have policies requiring that nonresident students enrolling via distance education be charges out-of-state tuition.

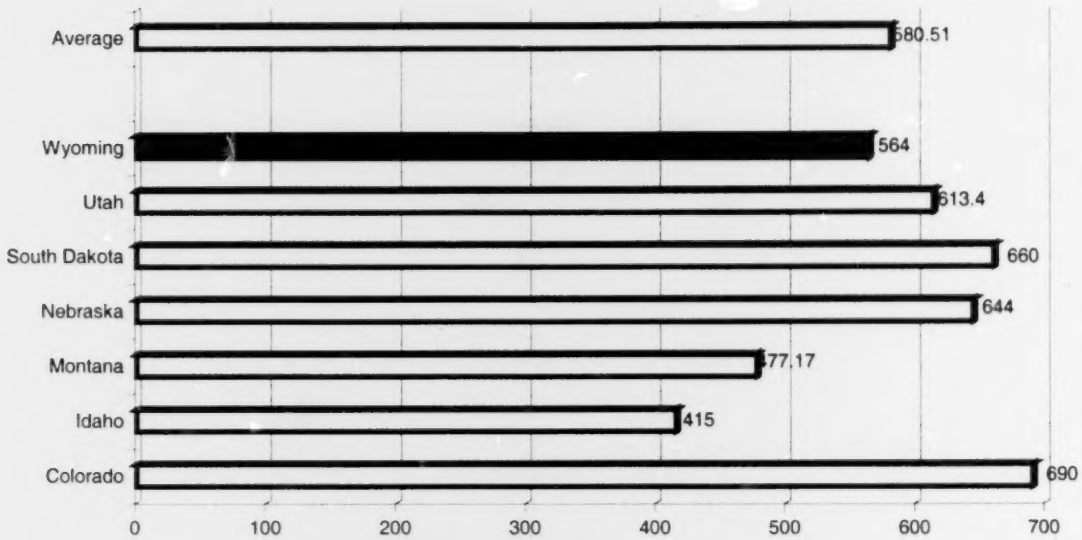
- Twenty-nine states [including Wyoming] charge out-of-state tuition to nonresident community college students. ...
- Three states ... indicated the decision to charge out-of-state tuition was a local one.
- Sixteen states do not charge out-of-state tuition to nonresident community college students.

APPENDIX D: CONTIGUOUS STATES ONLY

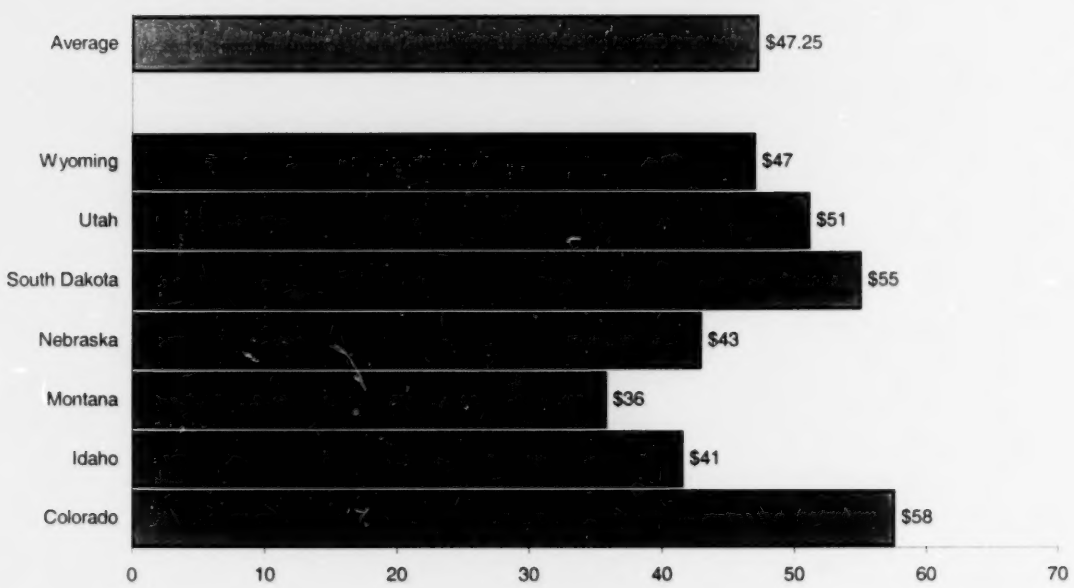
This summary briefly displays the results described above, but only for states that are adjacent to Wyoming's borders.



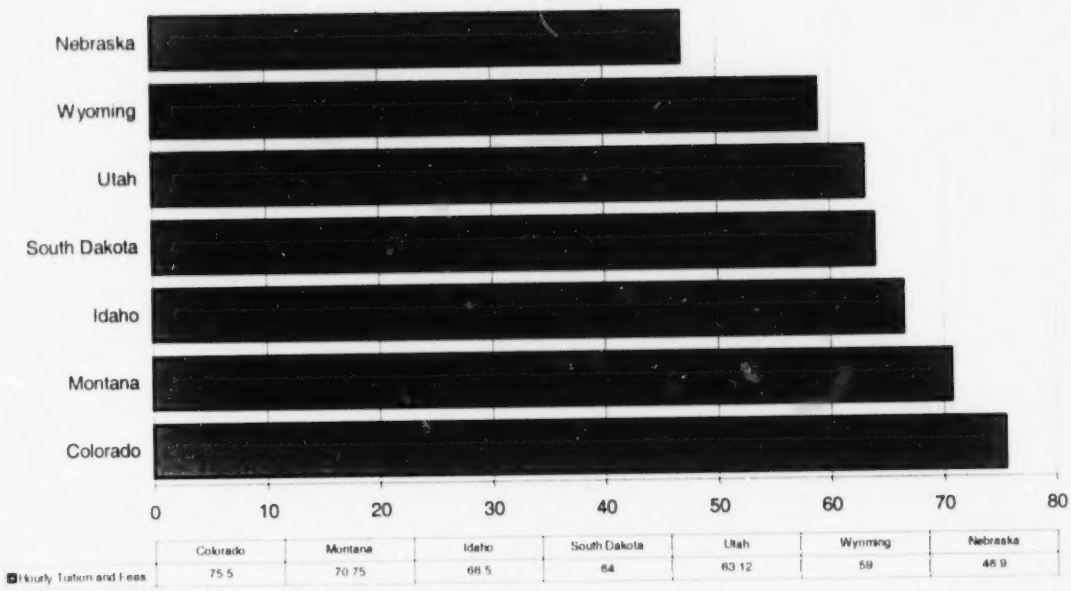
Calculated In-District Semester Tuition in Contiguous States



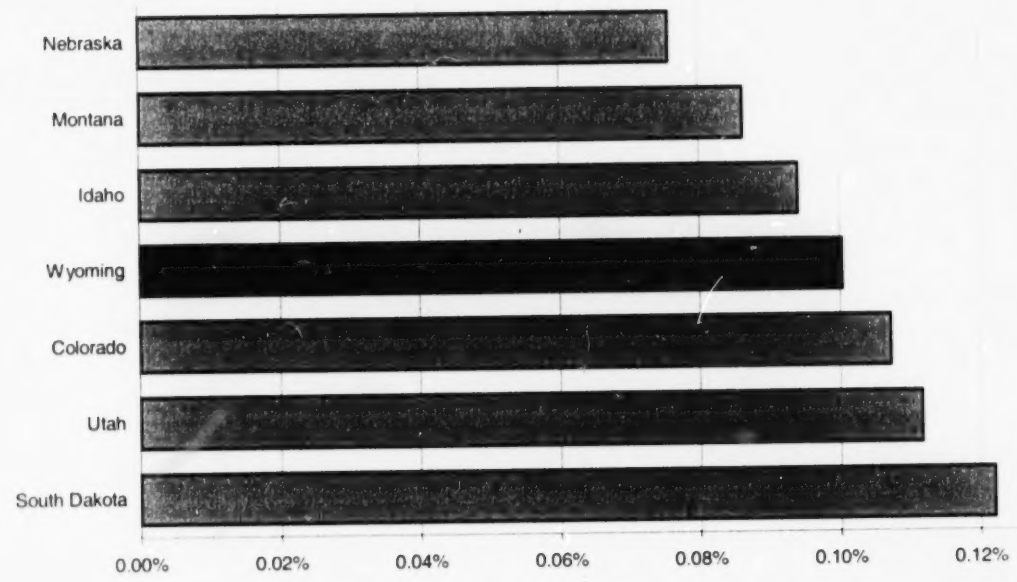
Calculated In-District Hourly Tuition in Contiguous States



Hourly Tuition and Fees in Contiguous States



Hourly Tuition as a Percent of Income in Contiguous States



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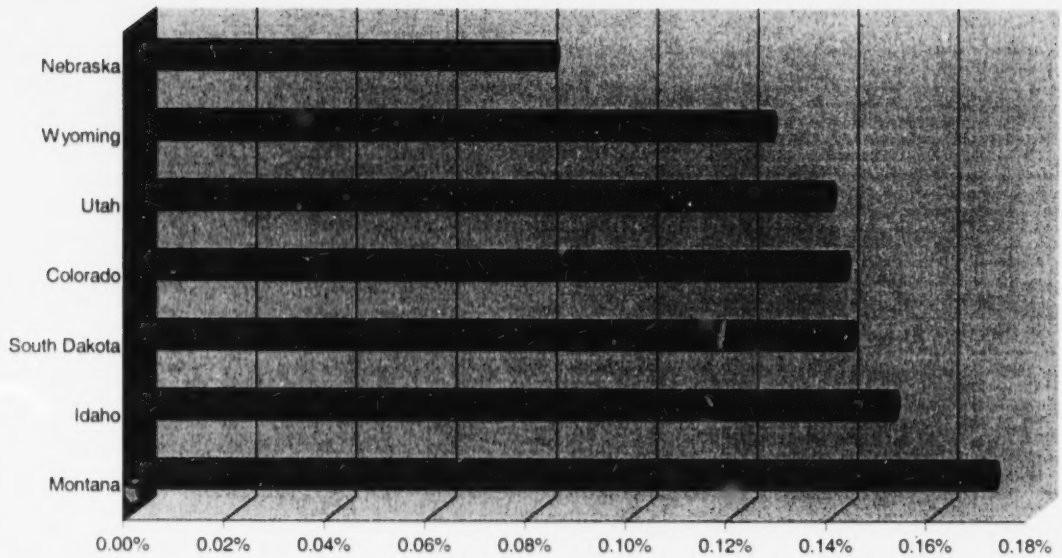
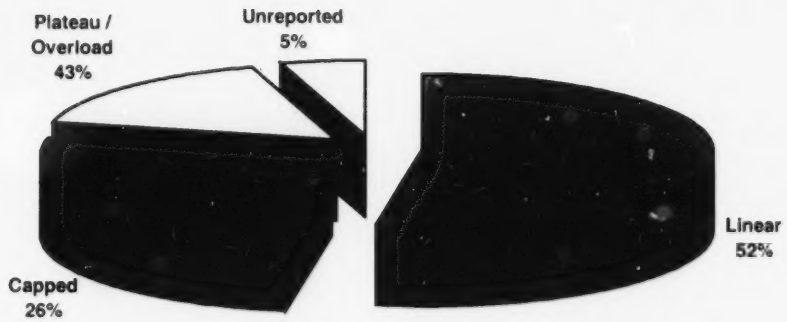
Hourly Tuition and Fees as Percent of Income in Contiguous States



Tuition Policies in Contiguous States



ADDENDUM: CHARTS AND FIGURES SOURCE NOTATION

Figure 1. Data is from the *2000 WCCC Enrollment Report*, 10-year worksheet.

Figure 2. From *1998 Median Income for 4-Person Families, by State*; U.S. Census Bureau 2001.

Figure 3. This uses telephone survey data for Alaska, Colorado, Hawaii, Nevada, Oregon, South Dakota, and Wyoming. For Arizona, $451 per semester was divided by 15 hours, the cap. For Idaho, $415 per semester was divided by 10, the plateau base at some schools, and the cap at others. In Montana, where each school has its own governing board, the figure is a mean average of all respondents answers, supplemented with electronic media (colleges' internet sites). For Nebraska, $644 per semester was divided by 15 hours. For New Mexico, $346 per semester was divided by 12 hours, the plateau base. In North Dakota, this is a weighted average of 4 colleges @ $68 per hour and 1 @ $63.42 per hour ($68 is a $816 per semester divided by 12 hours, the cap). For Utah, $613 per semester was divided by 12, the plateau base. In Washington, $1641 per year was divided by 30 hours (or 3 times the 10 credit per quarter plateau base).

Figure 4. This uses Figures 2 and 3 as sources.

Figures 5 and 6. These show original SPSS analysis by Steve Butler.

Figure 7. This is another way of displaying Figures 2 and 3 information, but each state's hourly fees have been added. These calculated hourly fees should be interpreted with some caution. Telephone survey respondents provided information in Alaska, Hawaii, Nevada, North Dakota, and Wyoming. In Arizona, some colleges reported a $5 fee per semester, and others reported fees on a course-by-course basis. An estimate of $4 per credit hour was used to approximate the missing data. They were reluctant to give out specific fee information. In Colorado, $210.41 per semester (via electronic media) was divided by 12 hours, the full-time definition. In Idaho, the respondent directly provided a per credit tuition and fee figure. In Montana, this is an average of each school's hourly fees based on interviews and electronic media. In Nebraska, $127 per year was divided by 30 hours, the full-time definition. In New Mexico, $45 per semester was divided by 12 hours, the plateau base. In Oregon, $49.90 average per semester was divided by 12 hours, the full-time definition at some schools, and by 15 hours, the cap and plateau base at other schools. These values were then averaged. Some Oregon colleges assign fees on a course-by-course basis. In South Dakota, $151 per semester was divided by 16 hours, the full time definition. In Utah, the average of each school's fees per semester was divided by 12 hours, the plateau base. In Washington, the average of each school's quarterly fees was divided by 10 hours. All calculated hourly fees were rounded to the nearest whole dollar.

Figure 8. This data is from *Tuition and Fees in Public Higher Education in the West*; WICHE; Detailed tuition and fee tables published 1996 to 2001.

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